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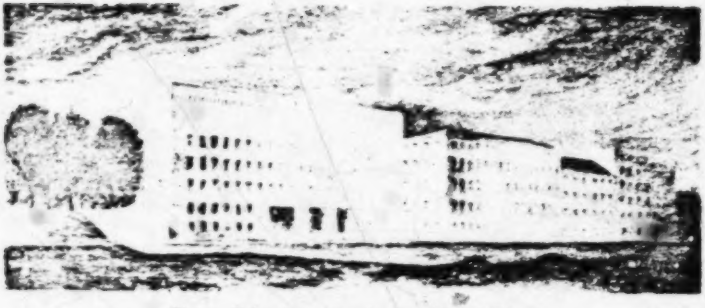

Ciamen: Holzmeister: Austrian Broadcasting House.

727 The end of the First World War and the fall of the Austro-Hungarian Monarchy had similar paralysing results for Vienna as did the end of the Second World War, when there was not only a collapse of the existing regime, but in addition extensive war damage to be faced. The general reorganisation of the State which took place after 1918 proved less difficult, not only because there had been no actual war damage in Vienna itself, but also because the forces released by the conclusion of the war were not hindered in their development by the pressure of an occupation. Nevertheless, it was years before the Austrian economy and the capital city had so far recovered that it was possible to go beyond efforts to satisfy the daily needs of the population and start constructive municipal schemes.

641 The political revolution of November 1918 secured the full triumph of democratic principles. Universal, equal and direct suffrage, with a secret ballot, was extended to women and, for the first time, applied to the election of members of a Vienna city council. As a result the influence of the masses of citizens which had until then been artifically suppressed now took full effect on the composition of the Council Chamber. Power in the municipal assembly consequently went to the Party of the workers, the Social-Democrats. By securing the majority in the City Council the latter found themselves in a position to put their principles into practice in various fields of municipal activity. During the 15 years after the First World War that the Social-Democrats were able to run the municipal affairs of Vienna, entirely new principles were applied to the administration of public welfare, housing, the conduct of public utility services, the educational system and to questions of personnel. As the basis and support of all these innovations a new financial policy was devised and put into practice. The successful achievements of this exceptionally fruitful period of Vienna municipal administration—it must be remembered that they were not carried out during a period of general prosperity and easy-living,

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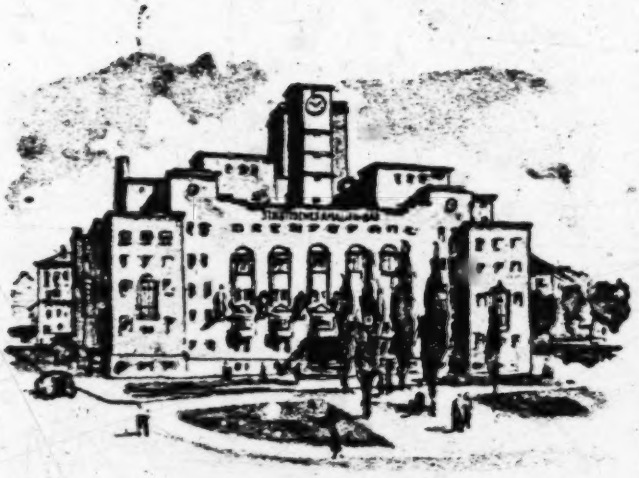

Amalia Baths.

633 but were born of the destitution of the people and more than once endangered by political and economic pressure—have been admired and emulated, not only in Austria but throughout the world as a glorious example to others, and have been adopted as a model in many countries.

Under the Burgomasters Jakob Reumann and Karl Seitz, assisted by active and vigorous city councillors, Vienna, contrary to the dismal prophecies of those who would have preferred to see Austria vanish from the map, obstinately refused to die, but blossomed out as a reborn and flourishing city. Based on the indestructible determination of the Viennese to survive which these leaders directed and inspired, gigantic housing schemes were quickly put into practice after the collapse of 1918 and caused astonishment and admiration far beyond the frontiers of Austria.

746 The eminent physician and advocate of social reforms, Dr. Julius Tandler, based his activities on the principle that care for social welfare was a duty incumbent on all and that those in need had a right to be helped by the community. On the basis of these principles, Tandler brought into being a social welfare organisation which not only brings aid to all those who call for it, but going beyond daily necessities, seeks appropriate means to overcome helplessness itself, and to enable the needy of today to become again active and creative members of the social system. This is applied to welfare work for the youth of the city as well as

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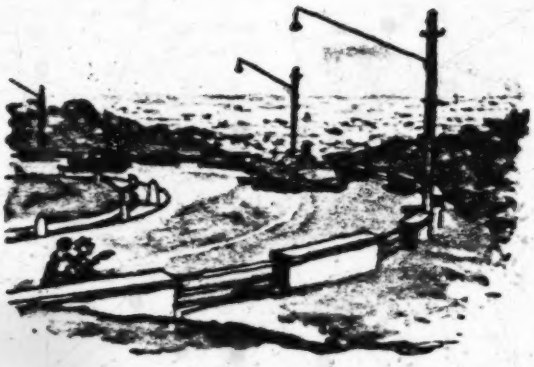

Kahlenberg: The Hilmteichstrasse.

legally embodied in the new building regulations of 1930. These put an end to the traditional construction for profit of tenement barracks with kitchens opening only on to an interior corridor, so-called "light-shafts" and back blocks. Since then, Vienna's housing principles have been adopted by many countries. They served as a model for the great building programme of the British Government, and have even influenced projects for the building of millions of flats in the United States.

A radical change has also taken place in the administration of the public utility services of the Municipality. The principle that costs only should be covered was introduced—i. e. the monopoly undertakings have to be self-supporting without trying to earn a profit for the municipal exchequer. In this way every improvement, every reduction of costs is a direct gain to the consumer—the Vienna public as a whole. At the same time extensive modernisations of all these undertakings were carried out. The Vienna gasworks were transformed into a great chemical factory which was enabled through its by-products to play an important rôle in the country's economy. The municipal electricity works were provided with new machinery and water-power plants were constructed. Gas and electric light became so cheap in this way that it was possible to introduce them to almost every Vienna household.

With these great innovations in the service of the masses (which made heavy demands on municipal finances), the position of municipal employees was put on an entirely fresh basis. Not only were working conditions improved for all

633 categories, but wages were increased. Since then no worker or employee in municipal employment has been dependent on tips.

The basis of all the great achievements of the Vienna Municipality after the First World War was a stern financial policy which gathered in money where it was to be found—in the hands of the property-owning classes and of those who chose to live luxuriously.

491 Between the years 1934 and 1938 many large-scale road constructional schemes were carried out. First the Höhenstrasse was built through the belt of forests and meadows on the western outskirts of the city, then the Kobenzlstrasse and the Kahlenbergstrasse were constructed, the whole providing a wonderful motor highway. Another road important for modern traffic is the Wientalstrasse, which greets the motorist from the west far outside the city boundaries near Purkersdorf, and conducts him through Hütteldorf, past Schönbrunn Palace deep into the heart of Vienna.

633 Thus the activities of Vienna Municipality in the period following the First World War may be put on record as having been constructive in the best sense of the word, serving the welfare of the people at large and the progress of mankind.

READJUSTMENT AND CONSOLIDATION

Vienna still had an important economic contribution to make to the country and to the world. Its unique geographic position at Europe's crossroads again attracted a large and growing volume of transit trade which helped to keep the commercial life of the city at a high level. Again, the long-standing knowledge which the Viennese financial institutions had acquired of the Balkan markets gave rise to economic activities and payments from foreign countries which helped to improve the balance of payments. Of still greater importance was the increased activity in the consumer goods and export industries to which Vienna, the main centre of the lighter industries, was particularly well suited. The introduction of a biennial fair made Vienna the main centre of the country's export trade and an important factor in Central and east European trade.

Last, but not least, the economic activities of the Viennese City Council helped considerably to re-establish and stimulate the economic life of the capital.[1] A skilful financial policy had enabled the municipality to avoid a deficit even during the difficult post-war and inflationary years. Now that the position had become easier they embarked on a progressive programme of expenditure on social welfare, educational reform, and—most important from the economic point of view—on an extensive building programme. Building activity had practically come to a standstill during and after the war and the housing shortage was acute. Private building was discouraged by a strict Rent Restriction Act which protected the population from the wild profiteering in rents that would have otherwise occurred. In 1923 the municipality, which had already built 7,259 dwellings between 1919 and 1923, announced that they would build 25,000 new dwellings during the next five years. This was the

[1] [CA CATEGORY 116, P.50 - - ANALYST]

beginning of a great housing programme which replaced slums by beautiful modern houses and attracted the attention of experts from all over the world, and which revived the building trades and with it, a great number of related industries in Vienna and the rest of the country.

CONSOLIDATION

Once the currency was stabilized and more normal conditions established, the upward trend in industrial and agricultural production became more marked as well as more general. It now seemed as if the earlier economic problems of Austria would soon find their solution and that a sound basis for a new national economy would be formed. And this would have doubtless been true if the process of consolidation of that period had not come to an abrupt end in the world economic depression.

For progress was quite considerable. Industrial production increased quickly and at a rate which compares not unfavourably with development in other countries during the same period.

INDICES OF INDUSTRIAL PRODUCTION

(Average 1925–9 = 100)

	Austria	Germany	Czecho-slovakia	United Kingdom
1925	89	87	88	99
1926	89	87	86	76
1927	100	109	100	109
1928	110	108	111	104
1929	113	109	115	112

Two points should, however, be noted in this connection. Firstly, the increase in output was achieved not so much